



Federal Regulatory Affairs
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October 20, 2010

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

Re: *A National Broadband Plan for Our Future*, GN Docket No. 09-51; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *High-Cost Universal Support*, WC Docket No. 05-337, *IP-Enabled Services*, WC Docket No. 04-36, *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92; *Intercarrier Compensation for ISP-Bound Traffic*, CC Docket No. 99-68.

Dear Ms. Dortch:

On October 19, 2010, Ken Mason and I from Frontier Communications ("Frontier") met with Zac Katz, Legal Advisor for Wireline Communications, International and Internet Issues to Chairman Genachowski, and Rebekah Goodheart, Associate Bureau Chief, Wireline Competition Bureau, to discuss the above-captioned proceedings.

Frontier expressed its continued support of comprehensive intercarrier compensation reform, consistent with its previous filings in the above-captioned dockets. Because of the complexities of involved, Frontier urged the Commission to conduct its Universal Service Fund reform in concert with any changes to intercarrier compensation. While the entire process of reform may be difficult to complete expeditiously, Frontier urged the Commission to take interim reform action on several issues that would provide immediate positive impact: Eliminating phantom traffic; prohibiting traffic pumping, and ensuring the appropriate jurisdictional compensation from IP voice traffic on the PSTN. These interim steps would allow the Commission to appropriately size future intercarrier compensation reforms.

Frontier also expressed its view that should the Commission lower intrastate access rates towards the same levels of interstate, the Commission should do so over a reasonable transition period of four to five years in order to allow carriers to adjust their business models and offset any lost revenue. The Commission should be mindful that the very carriers that are doing the most to further its goal of rural broadband deployment are the ones that will likely be affected by a loss of revenue, making it critical that the carrier has the ability to replace those revenues and cash flows to enable continued future broadband investment. For this reason, the Commission should pause before it lowers access rates beyond that of the current interstate level to assess what the implications of the initial change from the intrastate to interstate rate have been.

Frontier also expressed its support for evaluating changes to address a “rural-rural” divide with respect to Universal Service funding.

Please feel free to contact me with any further questions.

Sincerely,

/s/

Michael D. Saperstein, Jr.
Director of Federal Regulatory Affairs
Frontier Communications
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Cc: Zac Katz
Rebekah Goodheart